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September 15, 1997

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

Ex Parte Filing

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

In re Matter of the Pay Telephone Reclassification and
Compensation Provisions of the Telecommunications Act
of 1996, CC Docket No. 96-128

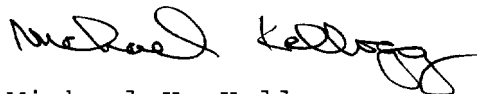
Dear Mr. Caton:

Enclosed are two copies of a letter, dated September 10,
1997, sent to Robert H. Castellano of AT&T and Leonard S. Sawicki
of MCI regarding ANI ii coding digits.

Because copies of this letter were sent to several
individuals at the Commission, we submit this letter to you in
compliance with 47 C.F.R. § 1.1206(a)(2) to be included in the
record of this proceeding.

If you have any questions concerning this matter, please
contact me at (202) 326-7902.

Sincerely,



Michael K. Kellogg

Enclosures

Number of Copies sent 021
15-1-1005

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Via Facsimile

Via Hand Delivery

Robert H. Castellano
Director, Federal Government Affairs
AT&T
Room 1133M1
295 North Maple Avenue
Basking Ridge, NJ 07920

Leonard S. Sawicki
Director, FCC Affairs
MCI
1801 Pennsylvania Ave., N.W.
Washington, D.C. 20006

Re: ANI ii Coding Digits

Dear Mr. Castellano and Mr. Sawicki:

On behalf of the LEC ANI Coalition, I am writing to address your concerns on the issue of payphone-specific ANI ii digits.

As you know, it is our position that paragraph 64 of the Commission's Payphone Reconsideration Order must be read consistently with the Commission's OLS Order. In the OLS Order, the Commission made two things clear: (1) that to require LECs to offer new hard-coded ANI ii digits would be unduly expensive and wasteful; and (2) that LECs could satisfy their obligation to provide additional coding digits by offering to interexchange carriers, on a tariffed basis, either Flex ANI or OLNS/LIDB, the choice between the two being at the discretion of the individual LEC. Nothing in paragraph 64 of the Payphone Reconsideration Order indicates that the Commission has changed its mind on either of these points. We also believe that additional coding digits -- beyond "07" and "27" -- are not necessary for carriers to perform, on a non-discriminatory basis, per call tracking and blocking. See Worldcom Ex Parte of August 27, 1997, at 2 (admitting that carriers in fact can pay per-call compensation using existing coding digits by comparing the originating numbers on "07" and "27" calls to LEC ANI lists). These positions are laid out in greater detail in our White Paper on the Provision of ANI Coding Digits (June 16, 1997) and several follow-up ex partes by our Coalition and by USTA. See, e.g., Letter from Keith Townsend, Director, Regulatory Affairs & Counsel, USTA, to William F. Caton, FCC, CC Docket 96-128 (filed July 28, 1997).

Robert H. Castellano
Leonard S. Sawicki
September 10, 1997
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That said, we recognize that your companies have stated that they both desire and need additional, payphone-specific coding digits to perform per call tracking and blocking, and we are willing to work with you to address those issues. Cooperation between the LECs and the carriers is essential to ensuring that the new payphone regime is implemented smoothly and to the benefit of all concerned. In that spirit, and so that the industry can move ahead promptly to implement the new per call compensation regime, we make the following proposal for your consideration. It consists of four points, each of which is integral to the whole.

(1) LECs that have selected Flex ANI to satisfy their obligations under the OLS Order will make Flex ANI available at no charge to all carriers for per call compensation purposes. LECs that have selected OLNS/LIDB to satisfy their obligations under the OLS Order will make OLNS/LIDB available at no charge to all carriers for per call compensation purposes. The choice between offering Flex ANI and/or OLNS/LIDB will be at the sole discretion of the LEC, as contemplated by the OLS Order.

(2) The carriers who receive Flex ANI and/or OLNS/LIDB pursuant to this offer must sign a sworn statement, to be filed with the FCC, that the coding digits received will not be used for any purpose other than per call compensation (i.e., tracking and blocking). If a carrier wishes to use Flex ANI or OLNS/LIDB for purposes other than per call compensation, such as fraud control, it must so advise the LEC and bear a proper allocation of the tariffed rate of that service. In the event of a dispute over allocations, the matter will be resolved by the FCC.

(3) LECs will bill all PSPs, pursuant to a non-discriminatory federal tariff or assessment, for providing Flex ANI and/or OLNS/LIDB coding digits to carriers. In order to facilitate the passage of payphone coding digits, and to be eligible for compensation, PSPs must use payphones lines (i.e., COCOT, PAL or coin lines), where such lines are available. All members of the LEC ANI Coalition currently make such lines available throughout their regions.

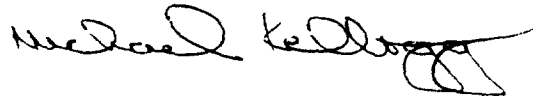
(4) In order to allow both LECs and carriers to put this regime in place, and adequately test the use of the new digits, the Commission would issue a waiver as follows: Per call compensation would begin as scheduled on October 7, 1997. For a period of six months, per call tracking would be conducted using LEC ANI lists. These lists would be provided to the carriers in a usable electronic form on a monthly basis. At the end of six months, LECs would have to offer either Flex ANI or OLNS/LIDB, as described above.

KELLOGG, HUBER, HANSEN, TODD & EVANS, P.L.L.C.

Robert H. Castellano
Leonard S. Sawicki
September 10, 1997
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I hope this proposal addresses your concerns, and would appreciate hearing from you by September 15th. With per call compensation set to begin on October 7th, we obviously must move forward quickly to resolve these issues.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Michael K. Kellogg", with a stylized flourish at the end.

Michael K. Kellogg

cc: John Muleta
Michael Carowitz
Rose Crellin
Greg Lipscomb
Jennifer Myers
Robert Spangler
Al Barna